

23

OHIO CREDIT
UNION LEAGUE

July 19, 2002

VIA Facsimile (202) 622-1657
(Pages Including This Page)

Chief of Records

Attn: Request For Comments Office of Foreign Assets Control
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220**Re: Disclosure Of OFAC Penalties**

Dear Sir or Madam:

The Ohio Credit Union League appreciates the opportunity to file comments on the Office of Foreign Assets Control's (OFAC) proposed rule regarding the public disclosure of certain civil penalties information. The Ohio Credit Union League ("OCUL") is the trade association for credit unions in the State of Ohio representing approximately 500 credit unions, both federal and state chartered.

Credit unions are not-for-profit member-owned financial cooperatives governed by unpaid volunteer boards of directors that predominately engage and provide various financial services to their members. More importantly, like all financial institutions Ohio's credit union are regulated by their respective federal and state agencies. Federally chartered credit unions are regulated by the National Credit Union Administration ("NCUA") and the Ohio Division of Financial Institutions ("ODFI") regulates state chartered credit unions.

As stated above, OFAC has proposed a rule regarding the public disclosure of civil penalty information. OFAC's purpose in proposing this rule is to make its enforcement activities more transparent to the public. Furthermore, it is OFAC's position that making certain additional information public will promote greater awareness of its enforcement activities and encourage compliance with the economic sanctions programs OFAC administers and enforces under 31 CFR chapter V.

At the present time, OFAC has made public certain information pertaining to informal settlements of civil penalties matters in response to a request under the Freedom of Information Act ("FOIA"), 5 U.S.C. 552. Within a given range of dates, the FOIA requester sought, inter alia, the identity of each matter was settled, the nature of the alleged violation, and the amount of the settlement. OFAC is still in the process of completing its response to this particular FOIA request, but an interim release of documents generated substantial public interest.

AMERICA'S
CREDIT
UNIONS™*an affiliate of the Ohio Credit Union System*

5815 Wall Street, Dublin, Ohio 43017

614-336-2894 ■ 800-486-2917 ■ fax 614-336-2555 ■ www.OhioCreditUnions.org

In reviewing this proposed rule OCUL recognizes the importance and concerns of the OFAC to encourage compliance with the economic sanctions program. However, OFAC's proposal to make disclosures to the public on a periodic basis, information on civil penalties including: (a) The name of the entity; (b) the sanctions program involved; (c) a brief description of the violation; and (c) The amount of the penalty or the amount of the settlement is a concern to OCUL.

The requirements of complying with OFAC in many ways are very difficult and complex. Moreover, failure to comply could very well result in significant penalties. OCUL is concerned that making public information institutions that violate the requirements of OFAC, even if done so inadvertently, may result in a negative perception that may be detrimental to the entity. This is especially true for credit unions, and possibly other financial institutions. Credit unions, as non-profit financial institutions, operate under a strict regulatory formula and are subject to regular examinations, prompt corrective action, and numerous regulatory reporting requirements. Under the proposal by OFAC, issuing information to the public regarding a violation of its regulations by a credit union could have a detrimental effect on the credit union based on public perception.

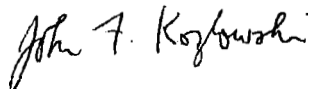
It is OCUL's opinion that the procedure under which OFAC responds to making available to the public information under the Freedom of Information Act (FOIA) is a more than reasonable approach.

Therefore, OCUL is not in favor of the current proposed rule and respectfully requests that OFAC continue to follow the same policies and procedures currently in place in making available information to the public on the disclosure of civil penalties.

The above represents the comments of the Ohio Credit Union League. OCUL appreciates the opportunity to comment on the Office of Foreign Assets Control's request for comments on a proposed rule regarding the public disclosure of civil penalty information. OCUL would also be willing to provide additional comments, if requested.

If you have any questions, comments or if I can be of further assistance please do not hesitate to contact me.

Sincerely,



John F. Kozlowski, General Counsel
Ohio Credit Union System

cc: Kathleen Kanipe
Paul L. Mercer
OCUL Advocacy Committee
Mary Dunn
Jeff Bloch